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Central Intelligence Agency



Washington, D.C. 20505

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 81-0426/1

27 February 1981

## DD/A REGISTRY

FILE: Dave C-6

The Honorable David A. Stockman  
 Director  
 Office of Management and Budget  
 Washington, D.C. 20503

Dear Dave:

My review of CIA's 1981 funding needs for travel has led me to the conclusion that imposition of the reduction in travel, as directed in recent OMB instructions, would cause serious disruption to this Agency's mission. Therefore, I request an exemption from the travel limitation.

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I intend to convey in this letter and enclosures the specific basis for my concerns and the reasons why CIA needs a net upward adjustment in its permitted obligations for travel. But let me first make two general observations. The first is that for an Agency like CIA, travel is absolutely crucial to its day-to-day work. Whether it is meeting an agent who has urgently requested a meeting in a third country, or rapidly dispatching a team to react to a move by a terrorist or KGB target, or monitoring multi-million dollar contracts  CIA cannot function effectively if it is fettered by an artificial limitation on the amounts of travel that can be done by its officers. My second point is that generalized ceilings on government travel disproportionately affect CIA. Almost half of our travel involves transporting officers to and from overseas

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assignments. This is in contrast to a much lower governmentwide percentage. Obviously, this means that a ceiling works a special hardship on CIA's temporary duty travel, most of which is absolutely essential to our functioning.

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1981 Status to Date

CIA's estimated 1981 requirement for travel funds, as listed in the 1982 budget, is  Of this amount,  or 36 percent, was obligated as of 31 January, leaving only 64 percent of the amount originally budgeted for the last two-thirds of the year, and the summer months during which PCS travel is highest are yet to come. A 10 percent reduction would result in a revised total of  leaving only  or 54 percent of the budgeted amount, for the last two-thirds of the year. To make matters worse, we have identified a total of \$3.3 million in additional high priority travel needs, most of which we will have to perform. These are discussed below under non-PCS travel needs.

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**SECRET**Permanent Change of Station Travel

25X1 More than one quarter of CIA's full-time permanent positions are stationed overseas [redacted]. Most of the labor-intensive intelligence collection work which we are tasked to perform obviously cannot be done in Washington. The manning of overseas sites, in particular, requires rotation on a regular basis, much as in the military service. Thus, the number of PCS moves and their cost can be calculated with some precision. Our current estimate for 1981 PCS travel is [redacted]. This cannot be reduced significantly unless we leave large numbers of overseas positions vacant. If we attempted to extend tours--most of which are already 3-year tours--mandatory home leave and other factors (such as temporary replacements) would offset the savings. [redacted]

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Table 1 details our plans for PCS travel in 1981. I can only reiterate in the strongest terms that manning of these overseas positions is vital to CIA's basic programs of clandestine operations. [redacted]

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[redacted]  
sion that we cannot reasonably reduce PCS travel. I request that the travel restriction not be applied to CIA's PCS travel costs. [redacted]

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Non-PCS Travel

25X1 Because so much of CIA's travel is tied up in PCS moves, any across-the-board cut works a disproportionate burden on our TDY travel. And even without any curtailment, we are short in 1981 in travel funds in this category. [redacted]

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25X1 CIA's 1982 budget carries an estimate of [redacted] needed for non-PCS travel in 1981. This is actually 3 percent less than in 1980. We calculate that, in real terms (constant 1979 dollars), our 1981 estimate represents a decline of 12 percent in purchasing power. The detailed derivation of this calculation is contained in Table 2. Table 3 lists, for selected cities, the types of cost increases which CIA's travel budget has been forced to absorb since 1979. The listed cities are locations where CIA maintains major facilities, requiring both TDY and PCS travel. The dollar amounts listed are the per diem allowances and the cost of a one-way ticket from Washington, D.C. [redacted]

The diversity of CIA's programs makes it difficult to convey in summary fashion the prospective adverse effects of a travel reduction. I will concentrate on the three principal areas where our currently budgeted amounts will clearly be inadequate (\$ in millions):

<u>Area</u>	<u>Non-PCS Budget</u>	<u>Estimated 1981 Requirement</u>
National Program Support	[redacted]	
Clandestine Operations	[redacted]	
Signals Intelligence	[redacted]	

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25X1 (1) National Program Support. Under agreements with the Department of Defense, CIA is the manager of contracts for certain national [redacted] programs which in 1981 will cost over [redacted]. This is almost three times the program level in 1979. In 1979 we spent about [redacted] on travel managing these projects. The CIA staff involved in managing these programs is very lean when compared to NASA or DoD standards--travel to direct contractors is key to our management philosophy. The 1981 travel estimate in the 1982 Budget is [redacted] which we are becoming increasingly aware will be wholly inadequate. We now estimate that because of the increased level of work and the impact of inflation, a total of [redacted] will be required for the support of these programs. I have come to this conclusion only after a detailed review. [redacted]

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If we were to cut, or not increase, our travel funds devoted to monitoring national programs there would be two possible results:

- 1) We would simply exercise much less control and oversight of our contractors. This would greatly increase the risk of programmatic setback, delay, and even failure. Contract costs would inevitably increase.
- 2) The contractors would increase their travel, raising the costs to the US Government beyond what it would cost for CIA people to travel.

For the relatively small amount of travel money involved, I do not believe either of these options makes sense. It is my judgment that it would not be economical or reasonable to limit the total travel budget for national program support to less than the [redacted] now known to be required. [redacted]

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25X1 (2) Clandestine Operations. The [redacted] budgeted for 1981 for non-PCS travel for the Directorate of Operations will be inadequate. Increasing tasks and inflation have led to the obligation through 31 January of 40 percent of the budgeted [redacted]

25X1 25X1 Travel is frequently a key ingredient in the conduct of successful CIA clandestine operations. For security reasons, it is frequently necessary for the CIA case officer and his agent to travel to another country for personal meetings. This operational necessity, which had been commonplace in such tightly controlled countries as [redacted] has in the past year been extended to other [redacted] countries. Worldwide operations against [redacted] and other "hard targets" require considerable operational travel. It is, moreover, frequently necessary to send on TDY linguistically trained operations officers, technical experts and translators to those countries where their particular expertise is required to meet agents and conduct technical operations. Such expertise, always in short supply, must be centrally controlled by Headquarters and dispatched on a timely basis as required. Without adequate travel funds we will simply be unable to exploit the desired level of operational targets. [redacted]

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A description of the types of cuts which would be required with a 10 percent reduction can be found in Table 4. The cuts would, of necessity, adversely affect virtually all clandestine operations overseas, including covert action operations in Southwest Asia and Central America, counter-intelligence, agent meetings, turnover of assets, [redacted] and

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[redacted] I believe strongly that clandestine operations will need to be augmented rather than reduced at this critical period and that the Directorate of Operations will need at least [redacted] for non-PCS travel in 1981. [redacted]

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(3) Signals Intelligence. The Office of SIGINT Operations (OSO) has been particularly hard pressed to operate effectively within the budgeted travel funds last year and this year because of requirements to establish new overseas sites, many of which require intercept surveys by TDY personnel and other types of TDY support. OSO has already obligated 50 percent of its 1981 TDY travel funds through 31 January. If implemented, the 10 percent reduction would effectively eliminate TDY support for the rest of the year for most of CIA's covert intercept activities. This would likely affect our ability to effectively monitor events such as [redacted]

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[redacted] Because of the above, I will need to obligate an additional [redacted] for Signals Intelligence related non-PCS travel in 1981. [redacted]

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(4) Other. The remaining CIA TDY travel funds total [redacted] These funds cover activities such as communications and security for overseas posts, analytic research, [redacted] inspector general and general counsel activities, logistics, training, and research and development activities. A travel reduction on CIA communications and security activities, in particular, would cause serious disruption to CIA's basic mission. CIA requires communicators for its stations overseas and serves as a major

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reduction in the communications area are detailed in Table 5. CIA's security programs are especially dependent upon travel funds. Some one-third of our security personnel are in travel status at any one time, and it would be most unwise to impede our security work because of travel restrictions. In light of the 12 percent reduction in purchasing power since 1979 already reflected in the 1981 travel amount, I request that the travel reduction not be applied to communications, security, and the other activities that are budgeted for [redacted] in 1981. [redacted]

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Request.

For the above reasons, detailed in Table 6, I request that CIA be exempted from the travel limitation so that it can reprogram its funds as necessary to meet the kind of unexpected needs which develop so frequently in carrying out this kind of mission. [redacted]

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Under our present travel budget, without a 10 percent cut, of [redacted] we will require the reprogramming of [redacted] within CIA's current, but I believe this can be accomplished in part from economies and projected

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25X1 savings from the procurement limitation and I am prepared to direct reductions elsewhere in CIA's program to provide the remaining funds needed to meet our critical travel requirements. [ ]

25X1 But CIA needs no less than [ ] for travel in 1981 to effectively accomplish the tasks currently assigned to it. But if the [ ] were to be cut by 10 percent, assets and investments in place would be wasted on an extravagant scale. Our ability to carry out our mission would be drastically curtailed if we had to cut travel expenditures by some [ ]. Therefore, I have to ask you to provide us full flexibility in meeting travel requirements. Even with [ ] available for travel, the [ ] provided in the budget without the 10 percent cut and [ ] reprogrammed from other portions of the budget, stringent measures and close monitoring will be required to assure that available travel funds are most effectively allocated.

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Sincerely,

William J. Casey

Enclosures

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